

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 173607
ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 EB-08 L-03 H-01 TRSE-00
OMB-01 SS-15 NSC-05 SP-02 STR-07 CIAE-00 INR-10
NSAE-00 AF-10 AID-05 OPIC-03 XMB-02 /083 R

DRAFTED BY COM/BED/CAGNE/JBHEARN:DJW
APPROVED BY EB/OCA/CD:EMSACCHET
COM/BED/CAGNE/PBHALE
STATE/NEA/RA/RPRICKETT

-----078904 110335Z /14

R 102207Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA
INFO USLO RIYADH

LIMITED OFFICIAL USE STATE 173607

E.O. 11652: N/A

TAGS: ETRD, SA

SUBJECT: ARAB BOYCOTT: U.S. FIRM BARRED FROM MALI PROJECT
UNDER SAUDI FUND FOR DEVELOPMENT (SFD)

REF: STATE 168023

1. DURING SECOND WEEK JUNE, CAGNE CONTACTED BY OFFICE OF
CONGRESSMAN ELDON RUDD OF ARIZONA ABOUT CHEMONICS PROBLEM
ON SUBJECT PROJECT. CAGNE OFFICER JACK HEARN ADVISED
RUDD'S OFFICE THAT SAUDI BOYCOTT PRACTICES REPORTED TO DATE
INDICATED AT LEAST STRONG POSSIBILITY THAT SFD REQUIREMENT
FOR BOYCOTT CERTIFICATE COULD BE WAIVED.

2. SINCE HEARN EXPECTED MEET WITH SAUDI BOYCOTT DIRECTOR
KHOJA DURING JUNE 17-24 VISIT TO SAUDI ARABIA, HE OFFERED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 173607

RAISE CHEMONICS CASE WITH KHOJA AND REPORT RESULTS ON
RETURN TO WASHINGTON ON JULY 5. THIS APPROACH ENTIRELY
ACCEPTABLE TO CONGRESSMAN'S OFFICE. DO NOT KNOW REASON FOR
CHEMONICS SUBSEQUENT APPROACH TO SENATOR GOLDWATER, UNLESS
IT WAS LACK OF COMMUNICATION BETWEEN CONGRESSMAN'S OFFICE
AND FIRM.

3. HEARN MET WITH KHOJA ON JUNE 21, ACCOMPANIED BY E/C OFFICER CHARLES RYAN OF USLO. AT THIS MEETING, KHOJA

STATED THAT HE UNDER INSTRUCTIONS FROM CROWN PRINCE TO REMOVE BOYCOTT LANGUAGE IMPEDIMENTS TO U.S. FIRMS DOING BUSINESS IN SAUDI ARABIA, AND HE PROVIDED HEARN WITH COPY OF STANDARD CONTRACT CLAUSE (PREVIOUSLY REPORTED BY EMBASSY) WHICH, ACCORDING TO KHOJA, WAS SUPPOSED TO BE IN USE BY ALL AGENCIES OF SAG. KHOJA STATED THAT ANY U.S. FIRM EXPERIENCING DIFFICULTY SHOULD BRING PROBLEM DIRECTLY TO HIM, IMPLYING IT WOULD BE TAKEN CARE OF. IN VIEW KHOJA'S BLANKET ASSURANCE, HEARN DID NOT SEE UTILITY OF RAISING CHEMONICS CASE SPECIFICALLY, FEELING IT BETTER FOR COMPANY ITSELF TO APPROACH BOYCOTT DIRECTOR. RYAN CONCURRED THIS APPROACH. ON JULY 5, HEARN INFORMED CONGRESSMAN'S OFFICE OF CONVERSATION AND RECOMMENDED CHEMONICS TAKE PROBLEM DIRECTLY TO KHOJA.

4. QUESTION NOT RAISED SPECIFICALLY DURING JUNE 21 MEETING WAS WHETHER BLANKET ASSURANCE THAT PROBLEMS OF BOYCOTT REQUIREMENTS IN CONTRACTS COULD BE TAKEN CARE OF APPLIED IN CASE OF SAUDI FINANCING OF PROJECTS IN OTHER COUNTRIES. AT ITS DISCRETION, EMBASSY MAY WISH SEEK ASSURANCE FROM KHOJA THAT ABOVE ENUNCIATED POLICY APPLIES TO PROJECTS ABROAD FINANCED BY SFD. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE173607
Document Source: CORE
Document Unique ID: 00
Drafter: DJW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780282-1092
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780778/aaaacnnf.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7c636078-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 168023
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2061785
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT: U.S. FIRM BARRED FROM MALI PROJECT UNDER SAUDI FUND FOR DEVELOPMENT (SFD)
TAGS: ETRD, SA, ML, CHEMONICS
To: JIDDA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7c636078-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014